



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

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Contact: Craig Casserly  
IRS – Criminal Investigation  
401 N. Front Street  
Columbus, Ohio 43215  
(614) 744-3130  
Craig.casserly@ci.irs.gov  
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### **PICKAWAY COUNTY BUSINESS OWNER INDICTED ON NUMEROUS INCOME TAX FRAUD CHARGES**

COLUMBUS, OHIO -- A federal grand jury here has indicted John Anderson Rankin, 52, of Circleville, Ohio charging him with seven counts of failing to account for and pay over employment taxes to the Internal Revenue Service (IRS), six counts of willfully filing false federal individual income tax returns with the IRS, three counts of willfully filing false federal corporate income tax returns with the IRS, and one count of obstructing and impeding the due administration of the IRS.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office announced the indictment returned on July 7, 2015.

According to the indictment, between June 2008 and April 2011 Rankin, conducting business as Rankin Enterprises, LLC and Tuscan Table, LLC, allegedly failed to account for and pay over to the IRS all federal income taxes and F.I.C.A. taxes (which includes Social Security tax and Medicare tax) that were withheld from the compensation of Rankin Enterprises, LLC and Tuscan Table, LLC's employees, as well as the employer's share of those employment taxes. Rankin filed the Forms 941 with the IRS which failed to report and pay over approximately \$239,967.27 in employment taxes to the IRS.

It has also been alleged that Rankin filed false Forms 1040X, Amended U.S. Individual Income Tax Returns, with the IRS for the 2005, 2006, 2007, 2008 and 2009 income tax years. The false Forms 1040X claimed corrected adjusted gross income amount of a negative (\$1,677,201.18), when it has been alleged that Rankin's actual corrected adjusted gross income was \$8,924,297.42.

For the 2010 income tax year, it has been alleged that Rankin filed a false individual income tax return with the IRS that reported \$26,983.24 in adjusted gross income, when it has been alleged that Rankin's actual gross income was \$1,594,648.56.

In addition, it has been alleged that Rankin filed false Forms 1120, U.S. Corporation Income Tax Returns, with the IRS for Connectivity Systems Incorporated ("CSI") for the 2008, 2009 and 2010 income tax years. The false Forms 1120 claimed a false accelerated Research & Development Credit in the amount of \$1,706,934.41 against the corporate taxes due and owing of Connectivity Systems Incorporated.

Lastly, between January 2005 and July 2015 Rankin allegedly obstructed and impeded the due administration of the IRS by making false and misleading statements to agents of the IRS and by concealing information from agents of the IRS.

Failing to account for and pay over employment taxes to the IRS carries a maximum penalty of 5 years in prison and a fine of up to \$250,000. Willfully filing a false individual and corporate federal income tax return with the IRS and obstructing and impeding the due administration of the IRS carries a maximum penalty of 3 years in prison and a fine of up to \$250,000.

"Honest and law abiding citizens are fed up with the likes of those who use deceit and fraud to line their pockets with other people's money as well as skirt their tax obligations," said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. "Business owners have a responsibility to withhold income taxes for their employees and then remit those taxes to the Internal Revenue Service."

This case is being prosecuted by Assistant United States Attorney Daniel Brown and was investigated by special agents of IRS Criminal Investigation.

An indictment merely contains allegations, and the defendant is presumed innocent unless proven guilty in a court of law.

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